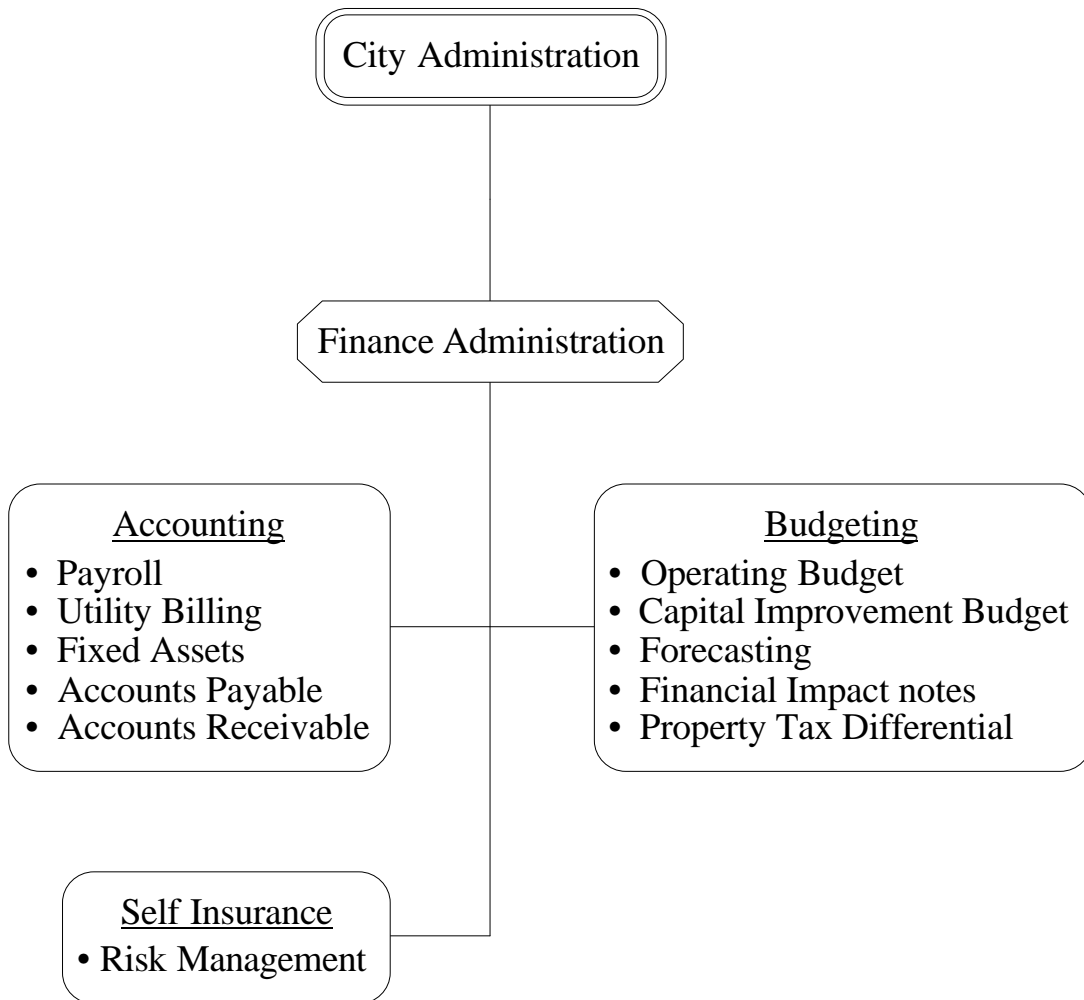


CITY OF ANNAPOLIS
Finance Department



Finance Department

Fund Support:

General Fund

Description:

The Finance Department is responsible for the systems and procedures that assure the sound and efficient functioning of the City's financial activities. The flow of financial activities begins with a plan (budget). The plan is then implemented and the transactions recorded (accounting); and finally, the results are reported (financial statements).

To make this process function smoothly, the Finance Department assists the Mayor in preparing an operating budget and a six-year capital improvements program (the first year of which is the capital budget) before the start of each new fiscal year. As each year unfolds, these budgets are carefully monitored for the extent to which actual financial transactions vary from the budget.

When the actual financial transactions occur, the Finance Department must see that all monies due the City are collected, and all City liabilities are paid on time. All cash received has to be either immediately disbursed, kept safely on hand, or invested. The Department routinely analyzes the flow of cash in and out of the City accounts for a number of purposes, not the least of which is to know the length

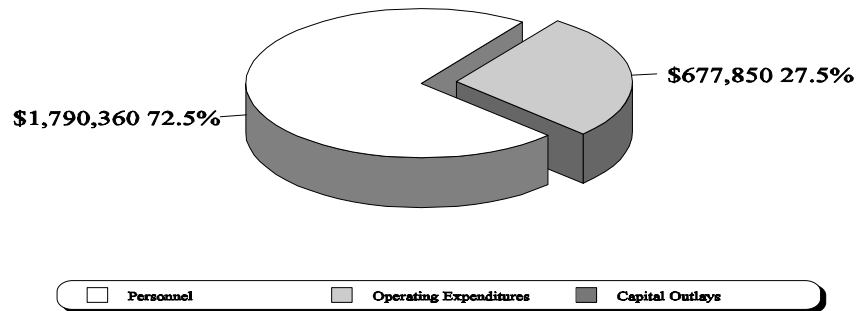
of time a given amount of cash can be invested for short-term operating needs or for longer-term capital needs. When funds are needed that exceed the City's cash reserves, then the Department arranges to borrow them privately or sells bonds in the open market.

The Finance Department also keeps an accurate record of all financial transactions, generates interim financial reports, and produces audited financial statements at the end of each fiscal year. More specifically, it prepares the City's payroll; it bills, collects, and accounts for City taxes, water and sewer fees, residential refuse fees and capital facilities assessments; and it maintains a file of the City government's fixed assets.

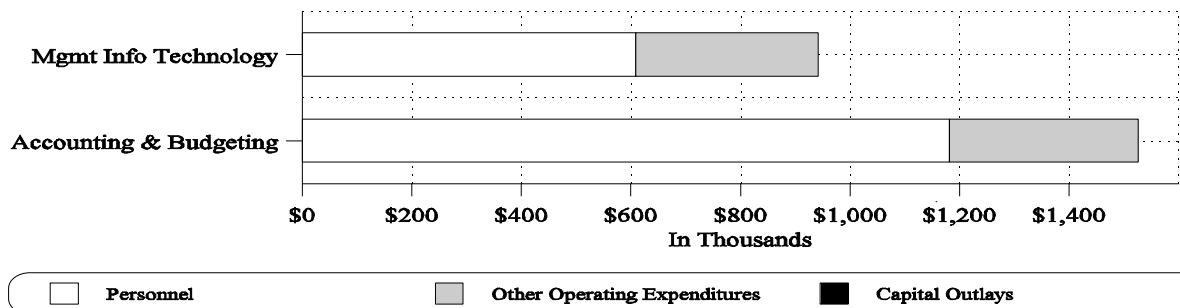
Additionally, the Finance Department analyzes non-routine financial situations, undertakes special financial projects and studies, and responds to requests for financial information from other governmental agencies and private enterprises. The Department also administers the City's self-insurance program, and maintains a computer installation that supports most of the functions mentioned above and provides, as well, computerized Management Information Technology services to other City departments.

<i>Budget Summary</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
Accounting and Budgeting	\$1,251,270	\$1,360,410	\$1,526,500	12.21%
Management Information Technology	642,600	791,800	941,710	18.93%
Parking Enforcement Collections	339,060	317,930	0	-100.00%
Department Total	\$2,232,930	\$2,470,140	\$2,468,210	-0.08%

Finance Department
Budget By Expenditure Type



Finance Department
Budget By Division



Finance Department Staffing Summary

	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>
	<i>Permanent</i>	<i>Permanent</i>	<i>Permanent</i>
Accounting and Budgeting	19	19	19
Management Information Technology	5	5	5
Parking Enforcement Collections	3	3	0
Department Total	27	27	24

Staffing Summary By Position - FY 2006 Permanent Positions

	<u>Total FTE</u>		<u>Total FTE</u>
<i>Accounting and Budgeting:</i>		<i>Management Information Technology:</i>	
Finance Director	1	MIT Manager	1
Assistant Director for Accounting	1	MIT Analyst	1
Senior Accountant	2	MIT Specialist	1
Accountant	2	Web Developer	1
Administrative Office Associate	1	MIT Engineer	1
Accounting Associate III	5		
Accounting Associate II	3		
Accounting Associate I	3		
<i>Self Insurance:</i>			
Risk Manager	1		

The Management Information Technology Department has four temporary positions; a Student Intern position and three Technical Support positions.

Accounting and Budgeting Division

Finance Department

General Fund

Description:

This division is responsible for preparing the City operating and capital budgets, monitoring departmental budgets, preparing tax, utility and other bills, paying all invoices, keeping all financial accounts, preparing the payroll, borrowing and investing funds, analyzing budgetary and financial accounts/situations, overseeing the City's internal financial controls, preparing budgetary and financial reports and studies, advising the Mayor and Aldermen regarding financial matters, and managing liability risks.

Services:

- Provides budgetary, accounting and financial support to the Mayor and Aldermen, City departments and committees.
- Assists customers with billing and other financial problems.
- Provides the public with budgetary and financial data.
- Acts as staff for the Finance Committee and the Police and Fire Retirement Plan Commission.
- Responds to requests from non-City persons, agencies and organizations for budgetary, accounting and financial data.

Mission:

To maintain the City in a sound financial condition by managing its financial affairs comprehensively and prudently while providing operational support in delivering all required services to the citizens of Annapolis.

Goals &

Objectives:

- To continue to maintain the City in a sound

financial condition.

- Seek higher bond ratings.
- Meet higher standards of financial reporting.
- Maintain compliance with industry standards.
- Review all financial ratios to ascertain compliance with industry standards.
- To encourage the participation of the Annapolis community in the "Build the Budget" process.
 - Provide access to current year budget on the web-site.
 - Continue and encourage budget outreach sessions with community members.
 - Publish budget schedule and provide updates via web and public notices.
 - Merge Excel Program into the budget process.
- To protect and safeguard the assets of the City.
 - Insure that any concerns raised during the annual independent audit are addressed in a timely fashion.
 - Perform internal audits and inventories in all City departments.
 - Review actuarial analysis to ascertain compliance with established policies and funding levels.
- To maintain effective expenditure controls.
 - Monthly projections of major expenditure categories.
 - Review of categories of expenditures with modulating annual costs.
 - Review of financing options.
 - Cost of service analysis.
- To enhance revenue collection options and practices.
 - Monthly projections of revenues.
 - Enhance City's capabilities in seeking grants and private contributions /partnerships.
 - Review fee/fine schedule, develop an

Accounting and Budgeting Division

- continued -

associated cost of service schedule, and a comparable jurisdiction listing.

Accomplishments:

- Earned the Certificate of Achievement for Excellence in Financial Reporting for fiscal years 1988 through 2003 (2004 is still under review).
- Earned the GFOA Distinguished Budget Presentation Award for fiscal years FY 1997 through FY 2005.
- Achieved current Bond ratings of Aa2 with Moody's, AA with Standard and Poor's, and AA+ with Fitch.

<i>Budget Summary</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
Personnel	\$1,068,770	\$1,157,360	\$1,181,450	2.08%
Other Operating Expenditures	182,500	203,050	345,050	69.93%
Capital Outlay	0	0	0	N/A
Total Expenditures	\$1,251,270	\$1,360,410	\$1,526,500	12.21%

Management Information Technology

Finance Department

General Fund

Description:

Maintains a central processing computer installation to support the many functions of the Finance Department. Provides Management Information Technology services to all City Departments; these services include networks and microcomputers, software upgrades, and training.

Services:

- Maintains central processing and network hardware, security, operating systems and data communications systems.
- Maintains, enhances and develops many financial integrated computer system applications using the central processing computer.
- Provides Internet and E-Mail services.
- Provides Management Information Technology and local and wide area network services to all City departments.
- Provides for training for various micro-computer applications.
- Provides for microcomputer hardware and software specifications.
- Provides centralized microcomputer hardware and software upgrades, troubleshooting and repair.

Mission:

To provide for the management, transmission, collection, processing and dissemination of secure, quality and timely information and technology, and to support City operational, citizen and business services and functions.

Goals &

Objectives:

- Implement Infrastructure - Broadband Communications Transport Structure.
 - Include Voice (Telephone) System., Institutional Fiber Optic Network, and Mobile Data (Wireless) Communications to meet current and future needs.
- Provide System Functionality - Personal Productivity Training.
 - Provide funding for complete licensing for Microsoft Office.
 - Locate training facility and develop a training program for the desktop office suite.
 - Provide help desk function for support of the desktop office suite.
 - Develop City wide use standards for calendaring and scheduling.
- Develop Citizen e-Services Program
 - Implement e-Government Program.
- Develop new MIT Services.
 - Implement Document Management System.
- Improve the ability to recover from and manage disasters.
 - Complete threat assessment of City technologies to identify potential sources of threats.
 - Implement Emergency Operations Center web based management hardware and software.

Accomplishments:

- Started implementation of Comprehensive Municipal Application Project (CMAP). This is one of the core fundamental infrastructure mainstays of the five year IT Strategic Plan.
- Upgraded e-mail virus and SPAM functions.

Management Information Technology

- continued -

<i>Budget Summary</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Adopted</i>	<i>Percent Change</i>
Personnel	\$411,820	\$459,000	\$608,910	32.66%
Other Operating Expenditures	230,780	332,800	332,800	0.00%
Total Expenditures	\$642,600	\$791,800	\$941,710	18.93%